

# 505 West Chapel Hill Street Disposition

## RESPONSE TO REQUEST FOR QUALIFICATIONS

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NOVEMBER 2021



November 9, 2021

Attention: Stacey Poston  
Assistant Director, Project Delivery & Sustainability  
General Services Department, City of Durham  
2011 Fay Street  
Durham, NC 27704

Dear Ms. Poston,

Akridge is pleased to submit our qualifications for the redevelopment of 505 West Chapel Hill Street. We feel that our team possesses the necessary track record, skills, integrity, and commitment to high-quality and inclusive development, making us the City of Durham's ideal partner for this project.

For nearly 50 years, Akridge has delivered complex, public-private, commercial and mixed-income residential developments. In 2009, Akridge formed Jefferson Apartment Group to launch our dedicated multifamily platform and expand to multiple markets along the east coast of the United States. We currently have 6,500 housing units in its development pipeline. In 2015, we expanded our footprint to include Charlotte and Durham, ultimately opening a North Carolina office in 2020. Our North Carolina pipeline includes over 500,000 square feet of commercial space and almost 2,000 housing units.

We are proud of our investments in Durham and our commitment to the Durham community. Our local and national development experience will bring a depth of expertise and creativity necessary to realize the city's goals for this site. Below are some projects that highlight the strength of Akridge/JAG qualifications:

- Gallery Place – 1 million square feet of office, retail, residential, and theater space in the heart of downtown Washington, DC, delivered by a public-private partnership
- Malden Center – 320 residential units and 75,000 square feet of mixed-use office and residential in Malden, MA, delivered by a public-private partnership
- Jefferson Marketplace – 281 units of housing, including Section 8 replacement units, workforce housing, and market rate units
- The Residences at Government Center – 271 units of workforce housing in Fairfax, Virginia
- Stevens School/2100 L Street – Rehabilitated historic school building and developed mixed-use office and retail tower in Washington, DC, delivered by a public-private partnership
- 555 Mangum Street – 240,000 square mixed-use office and retail tower in Durham, NC



601 Thirteenth Street, NW, Suite 300, Washington, DC 20005  
T 202.638.3000 [Akridge.com](http://Akridge.com)

Our team has the passion, capabilities, and resources to execute a project of this magnitude. As such, we are very excited about the opportunity to partner with the City of Durham, the community, and other stakeholders to re-envision this site. We hope to create an impactful and high-quality development for all of Durham.

**We submit our qualifications as Master Developer.** Should you have any questions about this response, feel free to contact me using the information listed below.

Designated Point of Contact:

**David Toney**

Phone: 202.207.3923

Email: [dtoney@akridge.com](mailto:dtoney@akridge.com)

Mail: 601 Thirteenth Street NW, Suite 300  
Washington, DC 20005

Sincerely,

A handwritten signature in black ink, appearing to read "M. Klein".

Matthew J. Klein  
President and CEO

A handwritten signature in black ink, appearing to read "D. Toney".

David F. Toney  
Senior Vice President, Development

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# 1 Development Team Qualifications







## 1. Development Team Qualifications

### A. KEY PERSONNEL

Resumes of key personnel are provided in the following pages. Listed below is the intended role of these key individuals.

#### **Matt Klein**

President and CEO  
Master development oversight

#### **David Toney**

Senior Vice President, Development  
Project Executive – master development team lead

#### **Joe Svatos**

Senior Vice President  
Acquisitions Director – capital markets lead

#### **Dan Outen**

Vice President, Carolinas  
Development lead – commercial parcels

#### **Greg Lamb**

Executive Vice President  
Residential Development Executive – housing  
development oversight

#### **Greg Van Wie**

Vice President  
Residential Development Director – housing  
development lead

#### **Patty Holt**

Senior Vice President, Property Management  
Residential Management Director – housing  
management lead


**MATTHEW J. KLEIN**

President and CEO  
Akridge

Matt Klein is President and CEO of Akridge, a commercial real estate investor, developer, and operator. Matt has over 30 years of hands-on real estate experience and has been President of Akridge since 2001. Headquartered in Washington, DC since 1974, Akridge has developed, acquired, and/or entitled more than 27 million square feet of project in the Washington Metropolitan Region and currently has over \$2.8 billion in real estate assets under management (including third party management) and over 100 employees. The company has an inventory of development projects in the pipeline totaling more than 9 million square feet.

Matt is responsible for the strategic and operational direction for all aspects of the company's business, including property operations, strategic planning, corporate governance, acquisitions, development, finance, and partner relations. Matt initiated and directed the strategy and successful institutional fund raising associated with the Akridge Office Fund, a comingled, closed end, discretionary investment fund. He also led the successful joint venture with Jefferson Apartment Group, the Akridge multi-family affiliate.

Under Matt's leadership, Akridge has been recognized locally and nationally for its customer service, innovation, investment results, and community involvement.

The company has received a long inventory of awards and recognition including, the National Capital Area Business Ethics Award, numerous Firm of the Year Awards, and has been featured in Washingtonian magazine and Washington Business Journal's Best Places to Work. Akridge has been recognized eleven times nationally by CEL & Associates as the "Best in Industry" for customer service, competing against high-performing, national management companies. The company is also frequently honored with awards for its efforts in community involvement, innovative development projects, and operating practices as well as for sustainability and smart growth initiatives.

Matt is immediate past Chairman of the ULI Washington District Council and Chair of ULI Washington's Governance Committee; a past Chair of the Washington DC Chamber of Commerce; past Chairman of the Board for the Downtown Business Improvement District; on the Board of Directors of the DC Policy Institute; a member of The Greater Washington Board of Trade, the World Presidents' Organization and, the Federal City Council; and, has served on the Mayor's Green Ribbon Committee and Streetcar Advisory Task Force.

Matt earned his Bachelor of Arts degree from Wake Forest University.


**DAVID TONEY**

Senior Vice President, Development  
Akridge

David Toney, Senior Vice President of Development for Akridge, is responsible for coordinating all aspects of development activities from acquisition to completion. His responsibilities include acquisition, financing, entitlements, design, construction, marketing, and leasing.

Since joining Akridge in 2005, David has completed or assisted in over \$1.5 billion in office, multifamily, and mixed-use acquisitions and development, including Gallery Place, West Half Street, 700 Sixth Street, the Cato Institute, and 1016 Sixteenth Street. He currently oversees a \$600 million development pipeline from the Washington, DC region to North Carolina. Projects include 2100 L Street and One Reston Town Center in the Washington, DC region and 555 Mangum Street, 949 Washington Street, and Preston Ridge in the Raleigh-Durham market.

Previously, David worked for a national general contractor where he oversaw the construction of over 3 million square feet of large-scale projects in the Washington, DC area. He began his career with an architectural design firm based in San Francisco, CA.

He is an active member of the District of Columbia Building Industry Association, the Urban Land Institute, and is a former Vice President of the African American Real Estate Professionals. He serves on the Board of Directors of the Golden Triangle Business Improvement District, Capitol Hill Little League, and Build DC, an organization that uses entrepreneurship to ignite the potential of students from under-resourced communities.

David has a Master of Science Degree in Civil Engineering from the Massachusetts Institute of Technology and a Master of Science Degree in Real Estate from Georgetown University. He received a Bachelor of Arts Degree in Architecture, with honors, from the University of California at Berkeley.




**JOSEPH G. SVATOS**

Senior Vice President, Acquisitions  
Akridge

Joe Svatos is a Senior Vice President of Acquisitions for Akridge. In this role he is responsible for the acquisition and development of new projects, including strategic planning, structuring, and implementing project development and team management.

He has been involved with the entitlement and development of award-winning office, flex, life science and mixed-use projects throughout the Washington, DC, area and North Carolina for over 35 years. Throughout his career, he has developed more than 3.5 million square feet.

Some of Joe's most recent projects include 555 Mangum Street and 949 North Washington Street in Durham, North Carolina and One Montford Park in Charlotte.

555 Mangum Street, a 240,000-square-foot trophy office building in downtown Durham overlooking the Durham Bulls Ballpark, marked the company's first project in the Carolinas as part of a strategic geographic expansion.

Twice, Joe has been instrumental in the largest land sale in the state of Maryland. The first sale was 125 acres to Coca-Cola, and the second was the sale of 80 acres to the Social Security Administration for its \$400 million National Data Center in Urbana, Maryland.

Joe is affiliated with several professional organizations and is also a Trustee (and Treasurer) of the DC History Center.

Joe earned a Master's degree in City and Regional Planning from the Harvard Graduate School of Design, as well as a Bachelor's degree in Urban Planning from the University of Virginia.

**DANIEL S. OUTEN**

Vice President, Carolinas  
Akridge

Dan Outen is a Vice President, Carolinas for Akridge. As such, he oversees acquisitions and development activity in North and South Carolina.

Dan joined Akridge in 2019, and brings with him over 10 years of commercial real estate experience.

Prior to joining Akridge, Dan worked at Outlier Realty Capital in Washington, DC as the Managing Director. There he led a four-person development team, oversaw all development acquisitions, and was a member of the executive and investment committees. His notable projects while with Outlier Realty Capital include three mixed-use co-living projects in a partnership with Common Coliving.

Previously, Dan worked with the Irvine Company in Newport Beach, CA as a Director of Development. He managed large-scale office and retail development and redevelopment projects and strategic initiatives.

Among other projects, Dan repositioned the 700,000-square-foot, \$120 million University of California Irvine (UCI) Research Park; and entitled 1.2 million square feet of creative office space.

Dan also worked at The JBG Companies in Washington, DC as a Senior Development Analyst where he managed mixed-use residential developments including Fort Totten Square and The Galvan.

He is a graduate of the Urban Land Institute Leadership program. Dan has a Master of Business Administration from the University of North Carolina Kenan-Flagler Business School and Bachelor of Science Degree in Business from University of North Carolina at Chapel Hill.



### **GREGORY G. LAMB**

Executive Vice President, Partner  
Jefferson Apartment Group

Greg Lamb is the Executive Vice President and a Partner in Jefferson Apartment Group, headquartered in the Tyson's Corner area of McLean, Virginia. He manages development activities in the four JAG offices located in Orlando, FL, Boston, MA, Philadelphia, PA, and McLean, VA.

Mr. Lamb has 24-years of industry experience specializing in luxury garden, mid-rise and high-rise product. Greg's responsibilities include all aspects of site acquisition, development, construction management, leasing and sales of all JAG apartment communities in the Mid-Atlantic, Southeast and Northeast regions.

Since its inception in 2009, Jefferson Apartment Group has managed the investment of \$1.72B of capital with a total value of \$2.21B. Collectively, the partners have been responsible for the acquisition and development of over 20,000 units with a value in excess of \$4 billion across 10 states.

Prior to joining Jefferson Apartment Group, Mr. Lamb served for nine years as the Executive Vice President and Regional Managing Partner for JPI's East Mid-Atlantic regional office. Greg also served at the Vice President of multifamily development for KSI services in Vienna, Virginia where he specialized in opportunistic acquisitions, rehabilitations and tax credit projects in Maryland and Virginia.

Mr. Lamb is a graduate of Tulane University with a BA in Economics and a Masters of Business Administration with a concentration in Real Estate and Urban Development from the American University in Washington, D.C. He is a member of the Maryland National Capital Building Industry Association, Urban Land Institute, Board of Director for NMHC, Leadership Council for NAHB, DCBIA and NVBIA.

### **Relevant Project Experience**

Affordable Housing Development Projects:

- Jefferson MarketPlace
- Residences at Government Center

Mixed-use Development Projects:

- Riverpoint
- Jefferson 14W



### **GREGORY VAN WIE**

Vice President, Development Partner  
Jefferson Apartment Group

Greg Van Wie is a Vice President and Development Partner for Jefferson Apartment Group headquartered in McLean, Virginia. He is responsible for underwriting new development projects and overseeing site acquisition, development and construction activities.

In addition to other development pursuits, Greg currently oversees 4000 N. Fairfax, an under construction \$150 million, 22-story multifamily tower located in Arlington, VA, 2009 8th Street, an \$75 million, 132-unit mixed-use project in Washington, DC, and 3140 Washington Boulevard, a \$130 million mixed-use project that includes multifamily, office, and retail.

While with Jefferson Apartment Group, Greg has had direct oversight of multiple projects, totaling almost 1,500 units of new development, including Jefferson MarketPlace, a mixed-income development in the Shaw neighborhood of DC; Tellus, a mixed-use development in Arlington, VA; and The Residences at Government Center, an affordable housing development in Fairfax, VA.

Prior to joining Jefferson Apartment Group, Greg was employed by Bonaventure Realty Group, where he served as the Asset Manager of a 13-property portfolio of apartment communities totaling over 4,000 units. Prior to joining Bonaventure in 2009, Greg worked for JPI East and Clark Construction in multiple preconstruction and project management roles throughout the Mid-Atlantic.

He is a member of the Executive Committee of the JHU Real Estate Alumni Forum. He is also a former Co-Chair of DCBIA's Young Leader's Committee and a member of the Urban Land Institute.

Greg graduated from the University of Virginia with a Bachelor's of Urban and Environmental Planning and received a Masters of Science in Real Estate from Johns Hopkins University.

### **Relevant Project Experience**

#### Affordable Housing Development Projects:

- Jefferson MarketPlace
- Residences at Government Center

#### Mixed-use Development Projects:

- Riverpoint
- Jefferson 14W




**PATTY HOLT**

Senior Vice President, Property Management  
Jefferson Apartment Group

Patty Holt is the Senior Vice President of Property Management for JAG Management Company. She is responsible for the oversight, direction, and development of all aspects of multi-family operations. She provides strategic leadership and direction toward the achievement of the company's mission and annual goals through the management company down to the individual asset level. She is focused on strong sales and service through the optimization of revenue, NOI and increased asset value while ensuring the company's standards are being met in the areas of financial performance, leasing, marketing, maintenance, compliance, and employee and resident satisfaction.

She has over 25 years of successful experience in the multi-family industry and has held various positions throughout her career to include Community Manager, Regional Trainer, Recruiter, Regional Manager, and Director. She has had direct oversight of the lease up, acquisition, and disposition of numerous properties (60+) along the East Coast and in the Midwest. She also serves as a valuable resource in the pre-development decisions regarding programming, design and functionality of new construction buildings.

Prior to joining JAG, Patty was the Director of Real Estate for the Mid-Atlantic region of Greystar Management Services. She was directly responsible for a portfolio of 26 properties totaling 10,000 units. Previously, she served as the Assistant Vice President of Property Management for JPI's Mid-Atlantic region. During her nine-year career with JPI, she played an instrumental role in all facets of property management operations. Her proven track record and commitment to excellence is visible in her varied portfolio of high-end luxury communities, mid-rises, garden style, mixed use assets and the repositioning of value-added acquisition communities. She is a graduate of Augustana College, where she received a Bachelor's of Arts in Business Administration. She is a member of the Property Management Association and the Apartment and Office Building Association of Metropolitan Washington (AOBA).







## 2. Relevant Project Experience

We have executed millions of square feet of urban, mixed-use development similar to that envisioned at 505 West Chapel Hill Street. The information on the following pages illustrates the previous relevant experience for each of the team member companies in these areas:



**AFFORDABLE HOUSING  
DEVELOPMENT**



**PUBLIC-PRIVATE  
PARTNERSHIP**



**URBAN MIXED-USE  
DEVELOPMENT**



**HISTORIC  
REHABILITAION**



## 555 Magnum

### 555 South Mangum Street

555 South Mangum Street included the redevelopment of a three acre brownfield parcel into 240,000 square feet of office and retail space and an 855 space parking structure. Located at the entry to downtown Durham from Highway 147, the project provides desperately needed high-quality office space to downtown Durham's growing commercial base.

The building's architectural design gives a modern nod to Durham's industrial and manufacturing history and helps extend the energy of the American Tobacco campus eastward. With over 30,000 square feet of ground-floor and rooftop retail, the project provides additional supply for Durham's burgeoning culinary and retail scene. The project also benefits from its proximity to entertainment venues such as the Durham Performing Arts Center and Durham Bulls' Athletic Park.

The immediate neighborhood has seen an explosion of multi-family, residential construction. 555 Mangum diversifies the user mix and provides amenities to support this growing part of downtown Durham.

The project is currently over 60 percent leased with a number of deals in progress that would take occupancy to 90 percent. 555 Mangum Street also won 2020's Best New Development of the Year by the Triangle Business Journal.

### PROJECT CHARACTERISTICS

- Urban mixed-use development
- Commercial development

**Size:** 240,000 square feet

**Location:** Durham, North Carolina

**Status:** Completed

**Completion Date:** 2020

**Project Cost:** \$85 million

**Financial Structure:** Conventional equity and debt financing

**AKRIDGE**  
*Invested.*





## 2100 L Street/ Stevens School

### 2100 L Street, NW / 1050 21st Street, NW

2100 L Street/Stevens School is a public private partnership between Akridge and the District of Columbia government. The historic Stevens School, named after abolitionist congressman Thaddeus Stevens, was the first public school built in Washington, DC, for African-American children. To honor the school's historical significance, Akridge worked with the DC government and local neighborhood to envision a redevelopment program including the restoration of the historic school building and development of the new 190,000-square-foot trophy office building on adjacent land.

The 10-story office building, which is LEED Platinum certified, includes almost 10,000 square feet of ground floor retail. Additionally, the office building includes a public art gallery featuring work from African-American artists as well as work related to the history of Stevens School. Other community benefits Akridge is providing include a scholarship program in the name of Thaddeus Stevens for DC public school students and an educational program familiarizing local school students to the development and construction process.

The project is over 60 percent leased and is home to global law firm Morrison Foerster. The project won the Washington Business Journal's Best New Development of 2021 as well as NAOIP's Best New Office Development of 2021.

### PROJECT CHARACTERISTICS

- Public-Private Partnership
- Urban Mixed-Use Development
- Local/Small Business Participation
- Historic Rehabilitation

**Size:** 190,000 square feet

**Location:** Washington, DC

**Status:** Completed

**Completion Date:** 2020

**Project Cost:** \$173 million

**Financial Structure:** Conventional equity and debt financing

**Public Sector Involvement:**  
City Land disposition agreement

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## Riverpoint / The Stacks

### 2100 Second Street, SW

Riverpoint/ The Stacks is a 2.5-million-square-foot urban, mixed-use project in Washington DC's Buzzard Point neighborhood, adjacent to DC United's new soccer stadium. Riverpoint, is a 481 unit multifamily residential development with 60,000 square feet of destination retail boasting views down the Potomac and Anacostia Rivers. The existing building was gutted to its structure and reconfigured into a residential building. The 60,000 square feet of ground floor retail has been preleased to a number of local and national retail operators.

The Stacks is a transformative 6+ acre development that encompasses two city blocks bounded by V Street, T Street, First and Second Streets SW. The two-million-square-foot, mixed-use development will redefine residential living on DC's Southwest Waterfront. It will create a neighborhood with lively but approachable street life that feels altogether different. Inspired by some of the District's most storied neighborhoods, The Stacks will stand out along the waterfront as a more livable, pleasant, and walkable neighborhood designed to suit modern living tastes and preferences. The Stacks will offer panoramic views overlooking the confluence of the Anacostia and Potomac Rivers, National Airport, and Virginia. It will also include an urban park, landscaped plazas, unique art programs, and pop-up exhibits that invite visitors to linger and return.

Riverpoint/The Stacks will connect the new soccer stadium to the riverfront as well as connect the neighborhood to adjacent emerging DC neighborhoods along the river, including the Wharf and The Yards.

### PROJECT CHARACTERISTICS

- Urban mixed-use development

**Size:** 2.5 million square feet

**Location:** Washington, DC

#### Status:

- Riverpoint: Completed,
- The Stacks Phase 1: Planned construction start Q1 – 2022
- The Stacks Phase 2: Pre-Development

#### Completion Date:

- Riverpoint: 2020
- The Stacks Phase 1: 2025
- The Stacks Phase 2 : 2028

**Project Cost:** \$1.3 billion

**Financial Structure:** Conventional equity and debt financing

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## J Malden Center

### 190 Pleasant Street

J Malden Center is the culmination of a seven-year partnership between the City of Malden, Massachusetts, and Jefferson Apartment Group (JAG). In the early 1970s, Malden's Government Center was built as a monument to brutalist architecture intended to anchor one end of a pedestrian mall on Pleasant Street, the heart of Malden's retail shopping district. The planned department store anchor at the opposite end of the street never materialized and that failure, combined with the advent of the indoor shopping mall, brought about the gradual decline of Malden Center. In 1975, the new City Hall and Police Station were opened as Malden's Government Center, and the Malden Center MBTA station opened, bringing the subway and commuter rail to Malden Center.

For years, the City and Commonwealth tried to reinvigorate Malden Center with subsidized housing and government office buildings amid other economic development efforts. In 2013, after years of study, the City awarded the properties to JAG after a thorough RFP process.

J Malden Center has transformed Malden Center by removing the barrier previously created by the City Hall, Police Station, and elevated plaza, managing significant grade changes to create a seamless pedestrian and vehicular connection between the retail corridor and the transit station. JAG worked creatively and collaboratively with the City to leverage the Commonwealth's Mass-Works program, which provided financial support to the City for the relocation of both the Police Station and City Hall, as well

### PROJECT CHARACTERISTICS

- Residential with affordable housing
- Mixed-Use Development

**Size:** 301,890 NRSF

**Location:** MALDEN, MA

**Status:** Stabilized

**Completion Date:** August 2019

**Project Cost:** \$145,050,000

**Financial Structure:** Private-public partnership

**Public Sector Involvement:** Partnership between JAG and the city of Malden. Development includes a new town hall and use of state development tax credits

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*Invested.*

**JEFFERSON**  
APARTMENT GROUP





as the Commonwealth's Housing Development Incentive Program, which promotes the creation of market-rate housing in economically emerging communities. JAG and the City of Malden reinvigorated the gateway to Malden Center. The result is an iconic and unique mixed-use project featuring 320 residential units, 25,000 square feet of ground-floor retail, a mix of public and residential parking and a new City Hall for Malden.

This public-private transit-oriented development integrates a highly unusual mix of uses: Malden's new, City Hall, 320 luxury apartments and 25,000 square feet of retail — possibly the only civic-residential-retail mixed-use project in the country. The 100 percent market-rate residential component brings a high-quality urban living experience to a central location. The project leveraged a unique economic development program designed to stimulate economic diversity, releasing critical financial support through \$3M of state tax credits and a 20-year, 100 percent residential property tax abatement, while enabling the City of Malden to minimize their cash requirements for two new civic buildings, greatly reducing their economic risk.





## Jefferson Marketplace

### 1550 Seventh Street, NW

Jefferson Marketplace is a mixed-income, mixed-use multifamily development in the popular Shaw neighborhood of Washington, DC. Located less than two blocks from the Shaw/Howard U Metro Station, the project offers convenient access to the central business district and other major employment nodes, as well as the entertainment and nightlife options of Shaw.

The property was formerly home to a garden-style project-based Section 8 affordable housing community. The development team partnered with the previous owner, a not-for-profit religious entity, and the tenants association to replace all of the affordable units within the new development while offering all previous residents the right to return to the new community. Of the 281 multifamily units, 20 percent, or 54 units, were set aside as workforce housing for household earning no more than 60 percent of area median income through a private affordable housing covenant.

The project features a resident clubroom, fitness center, business center, and children's game room.

The project also includes two outdoor courtyards, a seventh floor terrace with outdoor theater and seating, and a rooftop pool with views of iconic Washington, DC monuments.

### PROJECT CHARACTERISTICS

- Residential with affordable housing
- Mixed-Use Development

**Size:** 281 units, 13,300 sf of retail

**Location:** Washington, DC

**Status:** Completed

**Completion Date:** 2014

**Project Cost:** \$79 million

**Financial Structure:** Conventional equity and debt financing

**Public Sector Involvement:**  
Property tax abatement

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**JEFFERSON**  
APARTMENT GROUP



## The Residences at Government Center

### 11851 Monument Drive

The Residences at the Government Center is a workforce housing development created by a unique public/private partnership between the, Fairfax County, Fairfax County Redevelopment and Housing Authority, Jefferson Apartment Group and Stratford Capital Group. The project used a creative mixture of nine percent and four percent low-income housing tax credit allocations from the Virginia Housing Development Authority (VHDA), as well as tax-exempt bonds from Fairfax County and other financing sources, to create a socially responsible and economically viable housing option for the county's workforce.

The Residences at the Government Center was awarded joint recognition by the Washington Smart Growth Alliance and the ULI Terwilliger Center for its innovative approach to financing and developing new affordable housing.

The project was commended for its unique public-private partnership that made possible the creation of a private development consisting entirely of affordable workforce housing units.

The project's location within walking distance of jobs and everyday shopping opportunities, satisfies one of the most critically important tenants of smart growth and provides much needed workforce housing in an in-demand infill location.

### PROJECT CHARACTERISTICS

- Residential with affordable housing
- Public-Private partnership

**Size:** 70 units

**Location:** Fairfax, Virginia

**Status:** Completed

**Completion Date:** 2016

**Project Cost:** \$60 million

**Financial Structure:** 4% / 9% LIHTC, Tax-exempt bonds, HUD 221D(4)

**Public Sector Involvement:** Long-term subsidized ground lease with Fairfax County Government

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*Invested.*

**JEFFERSON**  
APARTMENT GROUP



### 3 Financial Capacity





## 3. Financial Capability

### A. HISTORY OF RAISING CAPITAL AND AVAILABLE RESOURCES

Akridge has extensive experience sourcing institutional capital for complex mixed-use developments as well as structuring financing for affordable residential development. Over the past 15 years, Akridge has completed over \$4 billion worth of commercial, residential, and mixed-use projects. The company has partnered with institutional investors such as Prudential, TIAA-CREF, Starwood Capital, Mitsui Fudosan America, GE Capital, and USAA. Most recently, Akridge has entered into joint ventures with Pacific Life, New York Life, and Corporate Office Properties Trust, helping to capitalize nearly \$3 billion of Akridge's current development pipeline.

Akridge maintains an excellent relationship with lending institutions to provide construction and permanent financing for its properties. These relationships include national banks and regional/community banks. Recent lenders include JP Morgan Chase, Wells Fargo, M&T Bank, Citizens Bank, MetLife, and EagleBank.

### B. SOURCES ATTRACTED TO INVESTING IN THE PROJECT

Akridge will fund all general partner equity for the project and seek institutional capital for the remainder of the equity requirements. Potential partners include private equity, life insurance, REITs, and pension fund companies. Akridge may also seek low income tax credit investors to finance affordable housing units within the project and historic tax credit investors to finance the renovation of the existing building.



We will seek construction loan financing from various lenders including companies such as Wells Fargo, US Bank, JP Morgan Chase, M&T Bank, and TD Bank. Akridge will also seek to find local banks that can participate in the loan alongside a lead bank. Local banks include Mechanics and Farmers Bank, Pinnacle Bank, and Pacific Western Bank.

### C. FINANCIAL FITNESS STATEMENT

The Respondent does not currently, and has not had, any loans in default within the past 10 years, and has never filed for bankruptcy, had a project foreclosed, or faced government fines.

### D. LITIGATION STATEMENT

No litigation has been filed against Respondent during the last 10 years.

## 4 Development Approach







## 4. Development Approach

The best cities have a distinct urban vitality built on a storied history that inspires innovation and sustainable growth. Durham is one of these places — with a singular downtown experience that draws both natives and newcomers to seek its energy and opportunities. Thoughtful redevelopment of 505 West Chapel Hill Street offers the potential to create a dynamic arrival experience that reflects the city's most-vibrant districts, connecting to City Center, the Warehouse District, the Brightleaf District, and the American Tobacco Campus. A mixed-use development inclusive of office, retail, life sciences, and residential spaces anchored by the rich legacy of the city can stand as a symbol of its bright future.

We have a vested interest in developing places that not only connect people and ideas, activating economic growth, but are also cultural catalysts that resonate fully with a wide range of individuals, connecting them to sense of place and to one another.

### A-PARKING AND OPEN SPACE

A balanced mix of commercial and residential housing units will optimize a parking strategy that provides the proper amount of parking to efficiently meet demands for the development. Careful consideration will be given to shared parking opportunities to limit the amount of spaces provided. Strategies to screen and/or conceal the parking structure will also be studied to minimize the visual impact of the facility.

Design of open space, essential to activating the ground-level experience, will be coordinated with the retail programming (particularly food and beverage programming) to ensure additional outdoor space can be utilized for needs of a restaurant operator. Public art will also be explored to engage users with the space and connect back to the City.

An organic balance of landscaped and hardscaped surfaces will enhance the experience and enjoyment of the project's open spaces. These areas will also provide space for public events, pop-up opportunities, and community programming.





### **B – APPROACH TO AFFORDABLE HOUSING AND/OR MIXED INCOME HOUSING**

Akridge has delivered a significant number of mixed-income housing units over the last decade, often a requirement within the jurisdictions in which we build. As such, Akridge appreciates the City's focus on creating additional affordable housing opportunities in downtown Durham through disposition of this property. Housing options designed to serve residents across a diverse spectrum of income levels is integral to the authentic growth of the city. Residents will benefit from newly constructed retail and public space at the street level in addition to the variety of public amenities offered within walking distance. The proximity to numerous public transit options, city center, and the freeway will appeal to a large pool of potential residents across various income levels and household compositions.

The affordable units will have comparable exterior and interior finishes to the market-rate units and will be equally dispersed throughout the project. All residents will have full access to the on-site amenities provided within the project.

Akridge supports the City's goal of increasing the supply of affordable housing options available in downtown's urban core and engaging the larger Durham community to make affordable housing a citywide priority. While we have experience accomplishing similar objectives in

multiple other markets and believe we can bring best-practice solutions to bear in Durham, we are open to partnering with an affordable housing partner to execute this component of the project. Together, we can leverage our experience financing mixed-income and affordable housing development using conventional financing sources as well as leveraging alternative financing sources including Low Income Housing Tax Credits (LIHTC).

### **C- APPROACH TO DELIVERING A MIXED-USE COMMERCIAL PROGRAM**

The mix of uses envisioned throughout the project will provide an active and lively neighborhood during both daytime and nighttime hours. Well-orchestrated ground floor spaces could include restaurants, a grocer, and other small and local neighborhood-serving retail. A key element in the programming of the ground floor spaces is engagement with local business operators, ensuring that access for main street entrepreneurs is provided while knitting together a diverse urban fabric.

The location of the project also provides great opportunities for new office development (both ground up and within the Milton Small building). Its visibility from and proximity to the Durham Freeway and downtown core will be major draws for office users, helping to support the ground floor amenities envisioned for the site. The office can support a wide range of user types including professional services firms, coworking and incubator



groups, and small local businesses. Life science is another sector that is very active in the Durham and RTP sub-markets and would be a prime target for commercial space in the development.

#### **D – APPROACH TO RE-USING THE MILTON SMALL BUILDING**

The former Durham Police Department headquarters building sits on a prominent downtown corner, at the crossroads of Duke and Chapel Hill Street, the most active gateway into downtown Durham. A former insurance office building, the structure pairs well with the adjacent N.C. Mutual Tower as two iconic examples of 1960s-era architecture that give the neighborhood a unique character within Durham's urban fabric. Further study of the building will provide insight into the feasibility of renovation for office, life science, or residential use. Upon this analysis, we would be able to determine if it is necessary to seek historic designation in order to leverage historic preservation tax credits (HTCs).

Within the parameters of an HTC-eligible adaptive reuse, we would seek to recreate commercial or residential space on the upper floors that maximizes the usable area of the

existing floor plate and recaptures views and daylight with tremendous floor-to-ceiling heights and a glass curtain wall. The ground level could be programed with retail uses alongside the building lobby. A retail "pavilion" could take advantage of the lawns in front of the building and could offer services and amenities to the office tenants and residents of the development, while encouraging walk-up traffic, and a pedestrian retail corridor along Chapel Hill Street.

#### **E – APPROACH TO COMMUNITY ENGAGEMENT**

The redevelopment of 505 West Chapel Hill Street creates an opportunity to turn this site and the surrounding neighborhood into a community-focused gateway providing high-quality private development while addressing a number of high-priority public interests.

In light of that, the city executed a pre-development planning process for the site a few years ago with a focus on maximizing the public interests served in partnership with a private development team. Akridge deeply respects the results of the extensive community engagement already undertaken in pre-development planning that have been manifest in the City's stated priorities in the RFQ.



Implicit in the City's priorities is efficient execution of the project. If we are selected as the City's preferred development team, we will create a financially feasible master development plan for the site that delivers on the City's public priorities. To be efficient, we would not seek to iterate those priorities with a new round of community engagement unless the City specifically requests additional feedback on the priorities.

Our expectation is that the details of a master development plan will be honed during negotiations of a master development agreement. During these negotiations, we will work in partnership with the City to ensure the stated public interests are honored. As the City's development partner, we would seek to follow the City's lead in when to pursue additional community engagement, but participate fully in that process. If additional community engagement is pursued, our team's experience has shown that the best

development outcomes are achieved when developers collaborate with the relevant community parties. As a result, we strive to align excitement and support around the development by ensuring all stakeholders are heard and respected.

Another facet of Akridge's community engagement revolves around our desire to provide a positive impact beyond the boundaries of the physical development. On prior projects, this engagement has included scholarship programs for local public school students, educational and internship programs for local children, partnerships with local institutions, and community history and public art connections. This additional level of engagement has led to deeply fulfilling projects that extend the development's reach to the broader community. Akridge will seek to provide this type of impact as part of the development of 505 West Chapel Hill Street.





**PARTICIPATION DOCUMENTATION FORM**  
**(TO BE COMPLETED BY PRIME CONSULTANT/CONTRACTOR ONLY)**

**Names of all firms  
 Project (including  
 prime and  
 subconsultants/sub  
 - contractors)**

**Location**

**UBE  
 Firm  
 Yes/No**

**Nature  
 of  
 Participation**

**% of Project  
 Work**

Akridge	Charlotte, NC	Yes ( ) No (X)	Master Developer	TBD
		Yes ( ) No ( )		
		Yes ( ) No ( )		
		Yes ( ) No ( )		
		Yes ( ) No ( )		
		Yes ( ) No ( )		
		Yes ( ) No ( )		

**TOTAL** \_\_\_\_\_

David F. Toney

\_\_\_\_\_  
**Name - Authorized Officer of Prime Consultant/Contractor Firm (Print/Type)**



\_\_\_\_\_  
**Signature - Authorized Officer of Prime Consultant/Contractor Firm**

11-9-21

\_\_\_\_\_  
**Date**



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